

## Highlights of Consolidated Financial Results for the First Three Months of the Fiscal Year Ending March 2018 (IFRS)

■ **Revenue and profits increased. Operating profit increased 2.6 billion yen year on year, starting off on a good note.**

◇ <b>Revenue</b>	<b>161.9 billion yen</b>	<b>1.1% Up</b>
◇ <b>Operating profit</b>	<b>5.6 billion yen</b>	<b>85.7% Up</b>
◇ <b>Profit attributable to owners of the parent</b>	<b>3.3 billion yen</b>	<b>229.2% Up</b>

### Profit & loss statement

(Unit: billion yen)	Q1 of FY2017	Q1 of FY2018	Year-on-year		FY2018	
			Change	Change(%)	Forecast	Progress (%)
Revenue	160.2	<b>161.9</b>	1.7	1.1%	700.0	23.1%
Gross profit	21.7	<b>24.0</b>	2.2	10.3%	-	-
Selling, general and administrative expenses	(18.6)	<b>(18.5)</b>	0.0	-	-	-
Other income (expenses)	(0.1)	<b>0.2</b>	0.3	-	-	-
Operating profit	3.0	<b>5.6</b>	2.6	85.7%	25.0	22.4%
Interest income (expenses)	(0.5)	<b>(0.5)</b>	(0.0)	-	-	-
Dividend income	0.3	<b>0.4</b>	0.1	-	-	-
Other finance income (costs)	(0.0)	<b>(0.0)</b>	0.0	-	-	-
Finance income (costs)	(0.2)	<b>(0.1)</b>	0.1	-	-	-
Share of profit (loss) of investments accounted for using the equity method	(0.4)	<b>0.1</b>	0.5	-	-	-
Profit before tax	2.5	<b>5.6</b>	3.1	126.9%	23.5	23.9%
Income tax expense	(1.0)	<b>(1.9)</b>	(0.9)	-	-	-
Profit for the period	1.4	<b>3.7</b>	2.3	159.2%	-	-
Profit attributable to owners of the parent	1.0	<b>3.3</b>	2.3	229.2%	12.0	27.5%

【Revenue】  
Increased 1.7 billion yen driven by the Steel, Materials & Plant and the Electronics & Devices segments, despite the weak performance of the Motor Vehicles & Aerospace segment.

【Operating profit】  
Increased 2.6 billion yen, attributable mainly to the Foods & Grain and the Steel, Materials & Plant segments.

【Profit attributable to owners of the parent】  
Increased 2.3 billion yen, mainly due to an improvement in the share of profit (loss) of investments accounted for using the equity method.

(Note) Full-year forecast of earnings per share: 142.58 yen if the consolidation of shares (at a rate of one share for every five shares) on October 1 is taken into account.

Earnings per share (yen)	2.38	<b>7.83</b>	5.45	229.2%	28.52	27.5%
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### Segment information

(Unit: billion yen)	Revenue			Operating profit		
	Q1 of FY2017	Q1 of FY2018	Change	Q1 of FY2017	Q1 of FY2018	Change
Electronics & Devices	52.8	<b>55.4</b>	2.6	1.6	<b>2.5</b>	0.9
Foods & Grain	58.9	<b>58.8</b>	(0.0)	0.3	<b>1.4</b>	1.1
Steel, Materials & Plant	28.1	<b>33.3</b>	5.2	(0.4)	<b>0.5</b>	0.9
Motor Vehicles & Aerospace	17.3	<b>11.2</b>	(6.1)	1.3	<b>0.9</b>	(0.4)
Total for reportable segments	157.1	<b>158.7</b>	1.6	2.8	<b>5.3</b>	2.5
Other (including adjustment)	3.1	<b>3.2</b>	0.1	0.2	<b>0.3</b>	0.1
Grand total	160.2	<b>161.9</b>	1.7	3.0	<b>5.6</b>	2.6

【Electronics&Devices】 **An increase in revenue and profit**  
In the ICT solutions business, transactions with the manufacturing and the financial industries remained firm, partly reflecting the contribution of greater efficiency as a result of organizational restructuring. The mobile business remained strong. In the semiconductors manufacturing equipment business, the expansion of sales to China made a contribution.

【Foods&Grain】 **Almost unchanged in revenue and an increase in profit**  
The food business remained strong. The meat products business maintained a strong performance following stable trends in market conditions. The feedstuff business remained firm due to the recovery of feedstuff prices in Japan.

【Steel, Materials & Plant】 **An increase in revenue and profit**  
The functional chemicals business turned in a strong performance. The iron and steel business showed a recovery on the strength of a pickup in demand for oilfield tubing. The energy business faced difficult circumstances due to sluggish sales of heavy oils. In the plant and infrastructure business, transactions related to machine tools and industrial machinery were weak.

【Motor Vehicles & Aerospace】 **A decline in revenue and profit**  
The motor vehicles and parts business performed well. The aerospace business was weak, partly due to the backlash against the strong performance of transactions of aircraft parts in the same period of the previous fiscal year.

### Assets and Liabilities

(Unit: billion yen)	3/2017	6/2017	Comparison with 3/2017	
			Change	Change(%)
Total assets	479.7	<b>462.6</b>	(17.1)	(3.6%)
Gross interest-bearing debt	133.8	<b>131.2</b>	(2.6)	(1.9%)
Net interest-bearing debt	55.4	<b>57.3</b>	1.9	3.4%
Shareholders' equity (Note 1)	100.4	<b>103.7</b>	3.3	3.3%
Retained earnings	34.6	<b>36.7</b>	2.2	6.2%
Other components of equity	11.4	<b>12.5</b>	1.1	9.9%
Equity ratio (Note 2)	20.9%	<b>22.4%</b>	1.5pt up	-
Net debt-equity ratio (Note 3)	0.55times	<b>0.55times</b>	Almost same	-

(Note 1) Shareholder's equity = Total equity attributable to owners of the parent (Note 2) Equity ratio = Shareholder's equity / Total assets (Note 3) Net debt-equity ratio = Net interest-bearing debt / Equity capital

### 【Interest-bearing debt】

Net interest-bearing debt rose 1.9 billion yen.

### 【Shareholders' equity】

Shareholders' equity (equity attributable to owners of the parent) rose 3.3 billion yen.

As a result, the equity ratio stood at 22.4%, improving 1.5pt. Net DER remained flat at 0.55 times.

### Cash Flows

(Unit: billion yen)	Q1 of FY2017	Q1 of FY2018
CF from operating activities	1.8	<b>0.6</b>
CF from investing activities	(10.9)	<b>(0.5)</b>
Free cash flows	<b>(9.1)</b>	<b>0.1</b>
CF from financing activities	0.7	<b>(4.4)</b>
Increase (decrease) in cash and cash equivalents	(8.4)	<b>(4.4)</b>

【CF from operating activities】  
Net cash provided by operating activities stood at 0.6 billion yen, mainly reflecting the accumulation of operating income.

【CF from investing activities】  
Net cash used in investing activities was 0.5 billion yen due to the provision of loans.

【CF from financing activities】  
Net cash used in financing activities was 4.4 billion yen, mainly due to the repayment of borrowings and the payment of dividends.

### Dividends

#### 【FY2017】

Interim	3.0 yen per share
Year-end	3.0 yen per share
Annual	6.0 yen per share

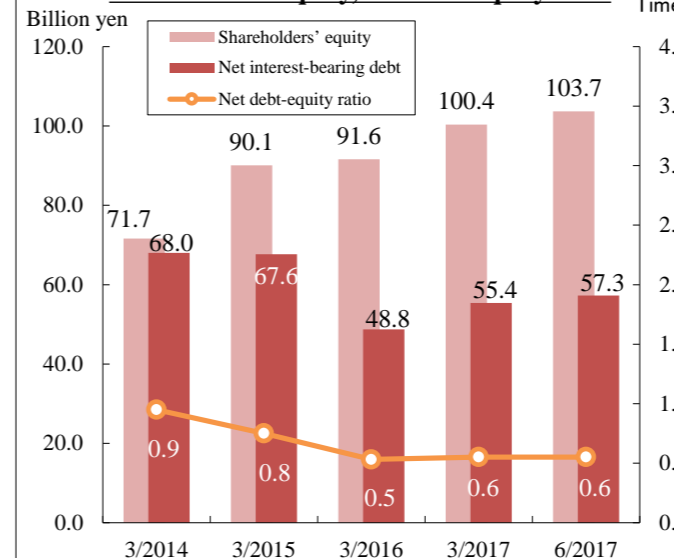
#### 【FY2018】

Interim(plan)	3.5 yen per share
Year-end(plan)	17.5 yen per share
Annual(plan)	- yen per share

(Note) The year-end dividend (plan) is an amount that takes into account the impact of the consolidation of shares on October 1.

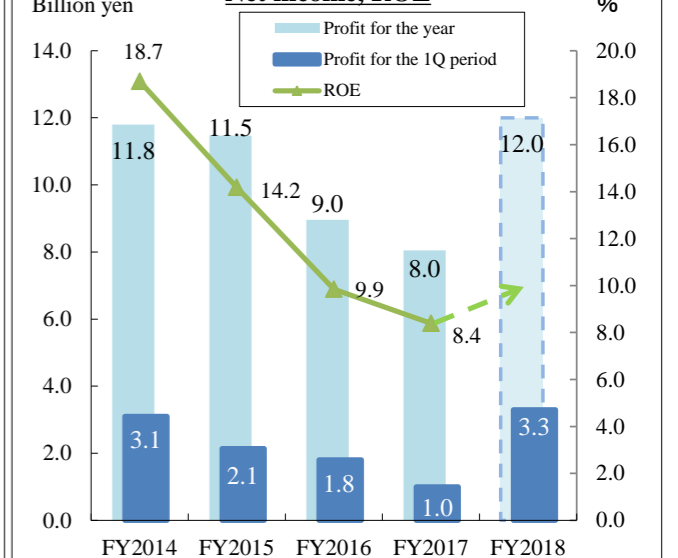
	FY2016	FY2017	FY2018 (plan)
Consolidated payout ratio	23.5%	31.4%	24.5%

### Shareholder's equity, Net debt-equity ratio



\*3/2014-3/2015/3: Based on the Japanese standard. 3/2016-6/2017: Based on IFRS.

### Net income, ROE



\*3/2014-3/2015/3: Based on the Japanese standard. 3/2016-6/2017: Based on IFRS. \*The cumulative total for 3/2018 is a forecast.

\* The forward-looking statements, including results forecasts, included in this material are based on information that the Company has obtained and certain assumptions that the Company considers reasonable. The Company does not promise to achieve them. Actual results might differ materially from the forecasts due to a number of factors.  
\* Since the figures above are rounded off to the nearest 100 million yen, the sum of each item and the total may differ.  
\* FY2017 (the fiscal year ended March 31, 2017) \* FY2018 (the fiscal year ended March 31, 2018)